

**Glamourwear Apparels Private  
Limited**

**Annual Report  
2009-10**

**Board of Directors**

Shri Madanlal J Hinduja, Chairman  
Shri Rajendra J Hinduja, Director  
Shri Dinesh J Hinduja, Director

**Registered Office:**

70, Mission Road  
Bangalore-560027.

**Auditors**

M/s P A Ghatage & Co.  
Chartered Accountants  
124, Margosa Road  
Malleshwaram  
Bangalore-560003.

**Bankers**

Canara Bank  
"Avenue Plaza"  
Avenue Road Branch  
Bangalore - 560002

## DIRECTORS' REPORT

Your Directors take great pleasure in presenting the Seventh Annual Report of your Company together with the audited accounts for the period ended 31<sup>st</sup> March 2010.

### 1. Financial Results:

The company primarily derives its income from the holding company, viz., Gokaldas Exports Limited, by way of Job Work charges etc., and the financial results for the period ended 31<sup>st</sup> March 2010 are given below:

| Particulars             | (Rupees)     |              |
|-------------------------|--------------|--------------|
|                         | 31.03.2010   | 31.03.2009   |
| Total Income            | 37,00,49,800 | 36,01,67,006 |
| Expenditure             | 36,70,57,470 | 35,71,52,087 |
| Profit Before Tax       | 29,92,330    | 30,14,919    |
| Taxation                | 13,28,204    | 25,89,159    |
| Profit After Tax        | 16,64,127    | 4,96,324     |
| Balance Carried Forward | 33,34,786    | 16,70,659    |

### 2. Performance:

During the year the company posted a turnover of Rs 37.00 crores and profit before tax and after tax of Rs 29.92 lakhs and 16.64 lakhs respectively.

### 3. Auditors :

M/s. P.A. Ghatage & Co, Chartered Accountants, will retire at the ensuing Annual General Meeting. However, being eligible, they offer themselves for re-appointment.

### 4. Directors:

Shri Rajendra J Hinduja will retire at the ensuing Annual General Meeting of the Company and being eligible offers himself for the reappointment.

### 4. Conservation of energy, foreign exchange earnings and outgo:

Not applicable.

### 6. Particulars of Employees:

The human capital has been recognized as a vital factor in achieving the goals and objectives of the organization. Emphasis is placed to build a network of dedicated and experienced professionals who would strive for organizational growth by maximizing the effectiveness while the policies and practices would foster employees' satisfaction, retention and productivity.

There are no employees whose details are required to be mentioned under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

### 7. Directors Responsibility Statement :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of directors report that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

- accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a "going concern" basis.

#### **8. ACKNOWLEDGEMENTS:**

Your Directors express their thanks to Gokaldas Exports Ltd, the holding company, its bankers and employees for their support and look forward to their continued co-operation in the ensuing year.

For and on behalf of the Board of Directors  
Of Glamourwear Apparels Private Limited

Bangalore  
May 24,2010

Sd/-  
**MADANLAL J HINDUJA**  
**CHAIRMAN**

## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Seventh Annual General Meeting of the members of the company will be held at the registered office of the Company at No.70, Mission Road, Bangalore -560 027 August 30,2010 at 10:30 AM to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajendra J Hinduja, Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s P.A. Ghatage & Co., Chartered Accountants as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**For and on behalf of the  
Board of Directors**

Sd/-

**Madanlal J Hinduja  
Chairman**

**Place: Bangalore  
Date: May 24, 2010**

### **Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy must be a member of the Company. Proxies in order to be effective must be received at the company's registered office not later than forth-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from August 25, 2010 to August 30,2010 (both days inclusive) for the purpose of Annual General Meeting.

**AUDITORS' REPORT**

**TO THE MEMBERS OF GLAMOURWEAR APPARELS PRIVATE LIMITED**

I have audited the attached Balance Sheet of Glamourwear Apparels Private Limited as on 31st March 2010 & Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Further, I report that,

1. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In my opinion, proper books of account, as required by law have been kept by the Company, so far as appears from my examination of the books.

The said Balance Sheet and Profit and Loss account and the Cash flow statement dealt by this report are in agreement with books of account.

In my opinion, the Balance Sheet and the Profit and Loss Account and Cash flow statement dealt with by this report complies with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, and

On the basis of written representations received from the directors as at 31st March 2010 and taken on record by the board of directors, I report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956, as on that date.

In my opinion, and to the best of my information and according to the explanations given to me, the said accounts, together with and subject to notes annexed thereto, give the information required, and give a true and fair view:

- a. In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2010,
- b. In the case of Profit and Loss account, of the profit of the Company for the year ended on that date, and
- c. in the case of Cash flow statement, of the cash flows of the Company for the year ended on that date.

As required by the Companies ( Auditors report ) order, 2003 as amended by the companies (auditors report) (amended) 2004 issued by the Company law board, and on the basis of such checks as considered appropriate and according to the information and explanations given to me during the course of my audit, I report that:-

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. During the year the fixed assets have been physically verified by the management and there were no discrepancies.
- ii) No substantial parts of the Fixed Assets have been disposed during the year.
- iii) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- iv) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- vi) The Company has not taken any loans secured or unsecured from companies, firm or other parties listed in the register maintained under section 301 of the companies Act 1956.
- vii) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies' Act 1956.
- viii) In my opinion and according to the information and explanations given to me, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase fixed Assets, inventory and with regard to sale of goods and services. During the course of audit I have not noticed any evidence of continuing failures to correct major weaknesses in internal control.

- ix) According to the information and explanations given to me, I am of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under the act.
- x) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the companies Act 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- xi) The Company has not accepted deposits from the public during the year to which the provisions of section 58A and 58AA or any relevant provisions of the companies Act, 1956..
- xii) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, Income tax, service tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it..
- xiii) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty service tax and cess were in arrears as at 31.03.2010 for a period of more than six months from the date they became payable.
- xiv) The Company is not having any accumulated losses nor the Company has incurred any cash loss for this year and in the immediately preceding financial year.
- xv) In my opinion, the Company's present Internal Audit system is commensurate with the size and nature of its business.
- xvi) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the companies act, 1956.
- xvii) According to the information and explanations given to me, there are no dues of income tax wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute
- xviii) The Company has not taken any loan from financial institutions and from banks and as such question of default in repayment does not arise. The Company has not issued any debentures at any point of time.
- xix) The Company has not granted any loans/advances on the basis of security by way of shares, debenture etc. As such no records and documents have been maintained.

**P.A.GHATAGE & CO**  
**Chartered Accountants**

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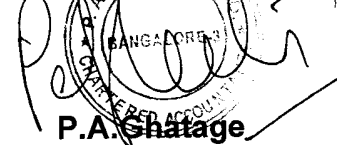
-4-

- xx) In my opinion, the Company is not dealing or trading in shares, debentures and other investments and as such no records have been maintained. During the year Company has not made any investments.
- xxi) I have been informed by the Company that it has not given any guarantee for any loans taken by the others from banks and financial institutions.
- xxii) The Company has not taken any term loans during this year and as such question of its application for the purpose for which it is taken does not arise.
- xxiii) According to the information and explanations given to me, and on an overall examination of the balance sheet of the Company, I report that the Company has not used any funds raised on short term basis for long term investment.
- xxiv) According to the information and explanations given to me, the Company has not made any preferential allotment of shares to parties and companies covered in the registers maintained under section 301 of the act.
- xxv) According to the information and explanations given to me, during the year covered by my report, the Company has not issued any debentures and therefore no securities or charges have been created.
- xxvi) The Company has not raised any money by public issue and as such disclosure on the end use of money does not arise.
- xxvii) I have not noticed any fraud on or by the Company during the year.
- xxviii) The Company is not covered under special statutory provisions applicable to the chit fund, nidhi or mutual benefit societies.

PLACE : BANGALORE

DATED : May 24, 2010

**FOR P.A.GHATAGE & CO**  
**Firm Regn. No.000922S**  
**Chartered Accountants**



P.A. Ghatage

**Proprietor.**  
**(Membership No. 12153)**

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**2/10, BDA Flats, Cambridge Layout Extn., Ulsoor, Bangalore 560 008**

**GLAMOURWEAR APPARELS PRIVATE LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2010**

|                                                     | Schedules | 31-03-2010         | 31-03-2009          |
|-----------------------------------------------------|-----------|--------------------|---------------------|
|                                                     |           | Rs.                | Rs.                 |
| <b><u>SOURCES OF FUNDS</u></b>                      |           |                    |                     |
| <b>Shareholders' Funds</b>                          |           |                    |                     |
| Share Capital                                       | I         | 200,000            | 200,000             |
| Reserves and Surplus                                | II        | 13,533,691         | 11,869,564          |
| <b>Loan Funds</b>                                   |           |                    |                     |
| Secured Loans                                       | III       |                    |                     |
| <b>Total</b>                                        |           | <b>13,733,691</b>  | <b>12,069,564</b>   |
| <b><u>APPLICATION OF FUNDS</u></b>                  |           |                    |                     |
| <b>Fixed Assets</b>                                 |           |                    |                     |
| Gross Block                                         | IV        | 41,588,571         | 41,286,685          |
| Less: Accumulated Depreciation                      |           | 21,131,762         | 17,635,525          |
| Net Block                                           |           | 20,456,809         | 23,651,160          |
| Capital work-in-progress including capital advances |           | -                  | -                   |
|                                                     |           | <b>20,456,809</b>  | <b>23,651,160</b>   |
| <b>Investments</b>                                  | V         | <b>9,000</b>       | <b>9,000</b>        |
| <b>Deferred Tax Asset</b>                           |           | <b>164,509</b>     | 37,588              |
| <b>Current Assets, Loans and Advances</b>           |           |                    |                     |
| Inventories                                         | VI        | -                  | 952,601             |
| Sundry Debtors                                      |           | 1,189,304          | 25,960              |
| Cash and Bank Balances                              |           | 5,739,884          | 3,077,772           |
| Other Current Assets                                |           | -                  | -                   |
| Loans and Advances                                  |           | 44,161,331         | 45,790,760          |
|                                                     |           | <b>51,090,519</b>  | <b>49,847,093</b>   |
| <b>Less: Current Liabilities and Provisions</b>     |           |                    |                     |
| Current Liabilities                                 | VII       | 52,716,522         | 55,228,889          |
| Provisions                                          |           | 5,270,624          | 6,246,388           |
|                                                     |           | <b>57,987,146</b>  | <b>61,475,277</b>   |
| <b>Net Current Assets</b>                           |           | <b>(6,896,627)</b> | <b>(11,628,184)</b> |
| <b>Total</b>                                        |           | <b>13,733,691</b>  | <b>12,069,564</b>   |

**Notes to Accounts**

XVI

Schedules referred to above form an integral part of the Balance Sheet

**For P.A.Ghatage & Co**

**For GLAMOURWEAR APPARELS PRIVATE LIMITED**

Firm Reg. No. 008922S

**Chartered Accountants**

**P.A.GHATAGE**  
(Proprietor)

(Membership No.12153)

Place : Bangalore

Date : 24th May 2010

(Director)

(Director)

**GLAMOURWEAR APPARELS PRIVATE LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010**

|                                            | Sch. | 31-03-2010         | 31-03-2009         |
|--------------------------------------------|------|--------------------|--------------------|
|                                            |      | Rs.                | Rs.                |
| <b><u>INCOME</u></b>                       |      |                    |                    |
| Sales                                      | VIII | 952,600            | -                  |
| Contract Receipts                          | IX   | 368,214,760        | 359,714,230        |
| Other Income                               | X    | 882,440            | 523,341            |
|                                            |      | <b>370,049,800</b> | <b>360,237,571</b> |
| <b><u>EXPENDITURE</u></b>                  |      |                    |                    |
| Raw Material Consumed                      | XI   | 952,601            | -                  |
| Other Manufacturing and Operating Expenses | XII  | 17,438,794         | 15,379,288         |
| Personnel Costs                            | XIII | 325,985,162        | 315,591,076        |
| Selling and Administrative Expenses        | XIV  | 19,144,390         | 22,033,206         |
| Finance Charges                            | XV   | 40,286             | 142,056            |
| Depreciation                               | IV   | 3,496,236          | 4,006,461          |
|                                            |      | <b>367,057,470</b> | <b>357,152,087</b> |
| <b>Profit Before Exceptional items</b>     |      | <b>2,992,330</b>   | <b>3,085,484</b>   |
| Add/(Less): Exceptional items              |      | -                  | -                  |
| <b>Profit Before Tax</b>                   |      | <b>2,992,330</b>   | <b>3,085,484</b>   |
| Provision for Taxation                     |      |                    |                    |
| -- Current Tax                             |      | 1,053,691          | 1,219,895          |
| -- Income tax of Earlier years             |      | 401,434            | 947,137            |
| -- Deferred Tax charge / (credit)          |      | (126,921)          | 384,722            |
| -- Fringe Benefit Tax                      |      | -                  | 37,405             |
| <b>Net Profit for the Year</b>             |      | <b>1,664,127</b>   | <b>496,324</b>     |
| Profit Brought Forward from Previous Year  |      | 1,670,659          | 1,174,335          |
| <b>Amount available for Appropriation</b>  |      | <b>3,334,786</b>   | <b>1,670,659</b>   |
| <b>Balance carried to Balance Sheet</b>    |      | <b>3,334,786</b>   | <b>1,670,659</b>   |

**Notes to Accounts**

XVI

Schedules referred to above form an integral part of the Profit and Loss Account

For P.A.Ghatage & Co

For GLAMOURWEAR APPARELS PRIVATE LIMITED

Firm Regd. No. 000922S

Chartered Accountants

**R.A.GHATAGE**

(Proprietor)

(Membership No.12153)

Place : Bangalore

Date : 24th May 2010

(Director)

(Director)

**GLAMOURWEAR APPARELS PRIVATE LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS  
FOR THE PERIOD ENDED MARCH 31, 2010**

|                                                                 | <b>31.03.2010</b> | <b>31.03.2009</b> |
|-----------------------------------------------------------------|-------------------|-------------------|
| <b>SCHEDULE I - SHARE CAPITAL</b>                               |                   |                   |
| <b>Authorized</b>                                               |                   |                   |
| 20,000 (2009:20,000) Equity Shares of Rs. 10 each -             | 200,000           | 200,000           |
| <b>Issued, Subscribed and Paid-up</b>                           |                   |                   |
| 20,000 (2009:20,000) Equity Shares of Rs. 10 each fullu paid up | 200,000           | 200,000           |
|                                                                 | <b>200,000</b>    | <b>200,000</b>    |
| <b>SCHEDULE II - RESERVES AND SURPLUS</b>                       |                   |                   |
| <b>Capital Reserve (on amalgamation) as per last account</b>    | 252,905           | 252,905           |
| <b>Securities Premium Account</b>                               |                   |                   |
| Balance as per last account                                     | 9,946,000         | 9,946,000         |
| <b>General Reserve</b>                                          |                   |                   |
| Balance as per last account                                     | -                 | -                 |
| <b>Unrealised Gains / (Losses) on Cash Flow Hedges (net)</b>    |                   |                   |
| <b>Profit and Loss Account</b>                                  | 3,334,786         | 1,670,659         |
|                                                                 | <b>13,533,691</b> | <b>11,869,564</b> |
| <b>SCHEDULE III - SECURED LOANS</b>                             |                   |                   |
|                                                                 | -                 | -                 |
|                                                                 | -                 | -                 |
| <b>SCHEDULE V - INVESTMENTS</b>                                 |                   |                   |
| <b>A. Long-term Investments [at cost] [unquoted]</b>            |                   |                   |
| <b>In Government Securities [Non-trade]</b>                     |                   |                   |
| Indira Vikas Patra                                              | 4,000             | 4,000             |
| National Savings Certificate                                    | 5,000             | 5,000             |
|                                                                 | <b>9,000</b>      | <b>9,000</b>      |
| <b>SCHEDULE VI - CURRENT ASSETS, LOANS AND ADVANCES</b>         |                   |                   |
| <b>Inventories</b>                                              |                   |                   |
| (at lower of cost and net realisable value)                     |                   |                   |
| Raw Materials and Packing Materials                             | -                 | 952,601           |
|                                                                 | -                 | <b>952,601</b>    |



**Glamourwear Apparels Private Limited**  
**SCHEDULE -IV- FIXED ASSETS**

| Particulars               | Gross Block         |           |           | Total      | Depreciation        |                 |           | Total      | Net Block           |                     |
|---------------------------|---------------------|-----------|-----------|------------|---------------------|-----------------|-----------|------------|---------------------|---------------------|
|                           | As on<br>01.04.2009 | Additions | Deletions |            | As on<br>01.04.2009 | For the<br>Year | Deletions |            | As on<br>31.03.2010 | As on<br>31.03.2010 |
| Building                  | 1,305,417           | -         | -         | 1,305,417  | 460,358             | 88,008          | -         | 548,366    | 757,051             | 845,059             |
| Improvement on Lease Hold | 4,130,415           | -         | -         | 4,130,415  | 1,149,028           | 298,139         | -         | 1,447,167  | 2,683,248           | 2,981,387           |
| Electrical Equipments     | 13,053,742          | -         | -         | 13,053,742 | 5,645,116           | 1,030,540       | -         | 6,675,656  | 6,378,086           | 7,408,626           |
| Office Equipments         | 195,949             | -         | -         | 195,949    | 86,135              | 15,257          | -         | 101,392    | 94,557              | 109,814             |
| Furniture & Fixtures      | 9,854,914           | 104,730   | -         | 9,959,644  | 4,990,415           | 883,181         | -         | 5,873,596  | 4,086,048           | 4,864,500           |
| Plant & Machinery         | 12,742,396          | 197,156   | -         | 12,939,553 | 5,300,972           | 1,180,972       | -         | 6,481,944  | 6,457,609           | 7,441,424           |
| Computer                  | 3,850               | -         | -         | 3,850      | 3,501               | 140             | -         | 3,641      | 210                 | 349                 |
| Vehicles                  | -                   | -         | -         | -          | -                   | -               | -         | -          | -                   | -                   |
|                           | 41,286,685          | 301,886   | -         | 41,588,571 | 17,635,525          | 3,496,236       | -         | 21,131,762 | 20,456,809          | 23,651,159          |
| Previous Year             | 40,506,571          | 780,114   | -         | 41,286,685 | 13,629,064          | 4,006,461       | -         | 17,635,525 | 23,651,159          | 26,877,507          |

**Sundry Debtors**

[Unsecured, considered good]

|                                                     |                  |               |
|-----------------------------------------------------|------------------|---------------|
| Debts outstanding for a period exceeding six months | 25,960           | 25,960        |
| --Others                                            | -                | -             |
| Due from Holding company                            | 1,163,344        | -             |
|                                                     | <b>1,189,304</b> | <b>25,960</b> |

**Cash and Bank Balances**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Cash on hand                        | 2,489,580        | 467,863          |
| Bank Balances with Scheduled Banks: |                  |                  |
| -- in Current Accounts              | 3,250,304        | 2,609,909        |
|                                     | <b>5,739,884</b> | <b>3,077,772</b> |

**Other Current Assets**

|  |   |   |
|--|---|---|
|  | - | - |
|--|---|---|

**Loans and Advances**

[Unsecured, considered good]

|                                                                  |                   |                   |
|------------------------------------------------------------------|-------------------|-------------------|
| Advances recoverable in cash or kind or for value to be received | -                 | -                 |
| -- for Supplies and Services                                     | 281,189           | 757,809           |
| -- to Staff                                                      | 1,275,580         | 1,601,779         |
| Security & other deposits                                        | 30,378,639        | 30,378,639        |
| Advance Tax (net of provision)                                   | 12,225,923        | 13,052,533        |
|                                                                  | <b>44,161,331</b> | <b>45,790,760</b> |

**SCHEDULE VII - CURRENT LIABILITIES AND PROVISIONS****Current Liabilities**

Sundry Creditors

|                                                                          |                   |                   |
|--------------------------------------------------------------------------|-------------------|-------------------|
| -- Dues to Small Scale Industrial Undertakings                           | -                 | -                 |
| -- Dues to Micro and Small Enterprises [Refer Note C-14 to Schedule XVI] | -                 | -                 |
| ---- Others                                                              | 51,575,732        | 42,133,704        |
| Due to Holding company                                                   | -                 | 12,554,816        |
| Book Overdraft                                                           | 619,576           | 159,820           |
| Other Liabilities                                                        | 521,214           | 380,549           |
|                                                                          | <b>52,716,522</b> | <b>55,228,889</b> |

**Provisions**

|                |                  |                  |
|----------------|------------------|------------------|
| Gratuity       | 1,594,920        | 2,469,446        |
| Leave Benefits | 3,675,704        | 3,776,942        |
|                | <b>5,270,624</b> | <b>6,246,388</b> |

|  |                   |                   |
|--|-------------------|-------------------|
|  | <b>57,987,146</b> | <b>61,475,277</b> |
|--|-------------------|-------------------|

**SCHEDULE VIII - SALES**

|          |                |          |
|----------|----------------|----------|
| Domestic | 952,600        | -        |
|          | <b>952,600</b> | <b>-</b> |



**SCHEDULE IX - Contract Receipts**

|                 |                    |                    |
|-----------------|--------------------|--------------------|
| Job Work Income | 368,214,760        | 359,714,230        |
|                 | <b>368,214,760</b> | <b>359,714,230</b> |

**SCHEDULE X - OTHER INCOME**

|                               |                |                |
|-------------------------------|----------------|----------------|
| Interest on Income Tax refund | 835,438        | 452,388        |
| Prior Period Income           | 42,543         | 70,565         |
| Sundry Balances written back  | 4,459          | 388            |
|                               | <b>882,440</b> | <b>523,341</b> |

**SCHEDULE XI - RAW MATERIAL CONSUMED**

|                                                    |                |          |
|----------------------------------------------------|----------------|----------|
| Consumption of Raw Materials and Packing Materials | 952,601        | -        |
|                                                    | <b>952,601</b> | <b>-</b> |

**SCHEDULE XII - OTHER MANUFACTURING AND OPERATING EXPENSES**

|                                               |                   |                   |
|-----------------------------------------------|-------------------|-------------------|
| Consumption of Consumables, Stores and Spares | 8,055             | 24,573            |
| Job Work Charges                              | 2,614,575         | 3,236,392         |
| Power and Fuel                                | 11,293,579        | 11,012,459        |
| Repairs and Maintenance - Plant and Machinery | 2,184,609         | 820,841           |
| Other Manufacturing Expenses                  | 1,337,976         | 285,024           |
|                                               | <b>17,438,794</b> | <b>15,379,288</b> |

**SCHEDULE XIII - PERSONNEL COSTS**

|                                                |                    |                    |
|------------------------------------------------|--------------------|--------------------|
| Salaries, Wages and Bonus                      | 285,955,058        | 268,361,850        |
| Contribution to Provident Fund and other Funds | 33,046,042         | 33,924,760         |
| Gratuity expense                               | 1,607,670          | 2,535,899          |
| Welfare Expenses                               | 5,376,393          | 10,768,567         |
|                                                | <b>325,985,162</b> | <b>315,591,076</b> |

**SCHEDULE XIV- SELLING AND ADMINISTRATIVE EXPENSES**

|                                                           |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|
| Rent                                                      | 9,363,424         | 10,753,026        |
| Repairs and Maintenance                                   |                   |                   |
| -- Buildings                                              | 552,857           | 887,543           |
| -- Others                                                 | 2,541,855         | 2,988,311         |
| Insurance                                                 | 124,989           | 359,830           |
| Rates and Taxes                                           | 342,805           | 408,538           |
| Legal and Professional Charges                            | 3,030,991         | 3,973,715         |
| Printing and Stationery                                   | 85,621            | 69,884            |
| Communication Costs                                       | 172,208           | 117,547           |
| Travelling and Conveyance                                 | 560,846           | 428,832           |
| Auditors' Remuneration [Refer Note C- 12 to Schedule XVI] | 44,120            | 44,944            |
| Miscellaneous Expenses                                    | 2,324,674         | 2,001,036         |
|                                                           | <b>19,144,390</b> | <b>22,033,206</b> |

**SCHEDULE XV - FINANCE CHARGES**

|              |               |                |
|--------------|---------------|----------------|
| Bank Charges | 40,286        | 142,056        |
|              | <b>40,286</b> | <b>142,056</b> |



**GLAMOURWEAR APPARELS PRIVATE LIMITED**

**Cash Flow Statement for the year ended 31st March 2010**

**Cash flow from Operating Activities**

|                                                                                | 31..03.2010      | 31..03.2009        |
|--------------------------------------------------------------------------------|------------------|--------------------|
|                                                                                | Rs.              | Rs.                |
| Net profit before taxation & Extraordinary items                               | 2,992,330        | 3,014,919          |
| Adjustment for:                                                                |                  |                    |
| Depreciation                                                                   | 3,496,236        | 4,006,461          |
| Preliminary Expenses W/O                                                       | -                | 4,680              |
| Prior period Items                                                             | -                | 70,565             |
| Operating profit before working Capital changes                                | 6,488,567        | 7,096,625          |
| Adjustment for:                                                                |                  |                    |
| (Increase)/Decrease in sundry debtor                                           | (1,163,344)      | 29,579             |
| (Increase)/Decrease in Advances                                                | 802,819          | (2,335,973)        |
| (Increase)/Decrease in Inventories                                             | 952,601          |                    |
| (Increase)/Decrease in Security and other deposits                             | -                |                    |
| Increase/(Decrease) in current liabilities                                     | (2,512,367)      | (6,598,739)        |
| Increase/(Decrease) in Provisions                                              | (975,764)        |                    |
| <b>Cash generated from operations</b>                                          | <b>3,592,512</b> | <b>(1,808,508)</b> |
| Taxes Paid :                                                                   |                  |                    |
| Current tax                                                                    | (227,080)        | (2,763,933)        |
| Income tax of earlier years                                                    | (401,434)        | (947,137)          |
| Fringe benefit tax paid                                                        |                  |                    |
| <b>Net Cash Flow fromm Operating Activities</b>                                | <b>A</b>         | <b>(5,519,578)</b> |
| <b>Cash flow from Investing Activities</b>                                     |                  |                    |
| Purchase of fixed assets                                                       | (301,886)        | (780,114)          |
| Purchase of Investments                                                        | -                | -                  |
| <b>Net Cash Flow from Investing Activities</b>                                 | <b>B</b>         | <b>(780,114)</b>   |
| <b>Cash flow from Financing Activities</b>                                     |                  |                    |
| Proceeds from issue of Shares                                                  | -                | -                  |
| Share Premium received                                                         | -                | -                  |
| Capital Reserve on Business                                                    | -                | -                  |
| (Repayment) or borrowings of unsecured loans                                   | -                | -                  |
| Preliminary & Preoperative expenses                                            | -                | -                  |
| <b>Net Cash flow from Financing Activities</b>                                 | <b>C</b>         | <b>-</b>           |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                  | <b>A + B + C</b> | <b>(6,299,692)</b> |
| <b>Increase / (Decrease) in Cash And Cash Equivalents</b>                      |                  |                    |
| Cash and Cash Equivalents as at the commencement of the year (Opening Balance) | 3,077,772        | 9,377,464          |
| Cash and Cash Equivalents as at the end of the year (Closing Balance)          | 5,739,884        | 3,077,772          |

For P.A.Ghatage & Co  
Firm Regn. No -000922S  
Chartered Accountants

**P.A.GHATAGE**  
(Proprietor)

(Membership No.12153)

Place : Bangalore

Date : 24th May 2010

For and on behalf of the Board

For GLAMOURWEAR APPARELS PRIVATE LIMITED

(Director)

(Director)

**GLAMOURWEAR APPARELS PRIVATE LIMITED**

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2010**

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**SCHEDULE XVI - NOTES TO ACCOUNTS**

**A. Background**

Glamourwear Apparels Private Limited (herein after referred to as "the Company") was incorporated on 17th June 2004. The Company took over all the assets and liabilities of M/s The Intex and J.D. Clothing Company as a going concern on 1st July 2004. The Company became a subsidiary of Gokaldas Exports Limited (formerly known as Gokaldas India Private Limited) on 1st December 2004.

**B. Significant accounting policies**

**a) Basis of preparation of financial statements**

The financial statements have been prepared to comply in all material respects in respects with the notified accounting standards under Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

**b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer.

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India.

Revenues from job work contract are recognized as and when services are rendered.

Dividend income on investments is accounted when the right to receive the dividend is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Insurance / other claims are recognized on acceptance basis.

**d) Fixed assets and depreciation**

Fixed assets are stated at cost of acquisition/construction less accumulated depreciation and impairment losses if any, net of grants received, where applicable and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition/construction.

Depreciation on fixed assets is provided on the written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of addition.

Leasehold improvements are depreciated over the primary lease period or useful life, whichever is lower.

**e) Borrowing Costs**

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset. Other borrowing costs are charged to Profit and Loss Account.

**f) Impairment of assets**

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**g) Inventories**

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work in progress are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary. Finished goods and work in progress includes cost of conversion and other production overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**h) Foreign currency transactions**

**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

**i) Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is netted off with the relevant expense. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**j) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**k) Employee benefits**

**Defined Contribution Plans:**

Contributions to Provident Fund are made at pre-determined rates and charged to the Profit & Loss Account. The company's liability is limited to the extent of contributions made.

**Defined Benefit Plans:**

Gratuity liability is accrued in the books based on actuarial valuation on projected unit credit method as at Balance Sheet date. Actuarial gains or losses are recognized immediately in the Profit and Loss Account.

**Other Employee Benefits:**

Compensated absences are provided for, on the basis of an actuarial valuation on projected unit credit method at the end of each financial year. Actuarial loss / gain are immediately taken to profit and loss account and are not deferred.

## **l) Taxation**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax asset is recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

## **m) Accounting for leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

## **n) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## **o) Segment Reporting Policies**

**Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Basis of allocation:**

Assets, liabilities, income and expenditure are allocated to each segment according to the relative contribution of each segment to the total amount. Unallocated items include general corporate items which are not allocated to any segment.

**Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**p) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**q) Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**C. Notes to Account**

**1. Contingent liabilities**

(Amount in Rs.)

| Particulars                                                                                                       | 2010   | 2009   |
|-------------------------------------------------------------------------------------------------------------------|--------|--------|
| Claims against the Company not acknowledged as debts                                                              | 20,000 | 20,000 |
| Guarantees given by banks                                                                                         | Nil    | Nil    |
| Outstanding letters of credit                                                                                     | Nil    | Nil    |
| Export Bills discounted with banks                                                                                | Nil    | Nil    |
| Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) | Nil    | Nil    |

Note: Certain industrial disputes are pending before various judicial authorities for which amounts are not ascertainable.

**2. Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense (in Profit and Loss Account)

|                                     | (Amount in Rs)   |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2010             | 2009             |
| Current Service Cost                | 1,604,329        | 2,506,560        |
| Interest cost on benefit obligation | 199,584          | 77,914           |
| Expected Return on Plan Assets      | (100,839)        | (25,089)         |
| Actuarial gain/(loss)               | (107,327)        | (23,486)         |
| <b>Net benefit expense</b>          | <b>1,595,747</b> | <b>2,535,899</b> |
| <b>Actual return on plan asset</b>  |                  |                  |

Details of Provision for gratuity (in Balance Sheet)

|                            | (Amount in Rs)     |                  |
|----------------------------|--------------------|------------------|
|                            | 2010               | 2009             |
| Defined benefit obligation | 3,664,528          | 3,066,026        |
| Fair value of plan asset   | 2,049,608          | 596,580          |
| <b>Plan liability</b>      | <b>(1,594,920)</b> | <b>2,469,446</b> |

Changes in the present value of the defined benefit obligation are as follows:

|                                           | (Amount in Rs)   |                  |
|-------------------------------------------|------------------|------------------|
|                                           | 2010             | 2009             |
| Opening defined benefit obligation        | 3,066,026        | 1,718,147        |
| Current Service Cost                      | 1,604,329        | 2,506,560        |
| Interest Cost                             | 199,584          | 77,914           |
| Benefits Paid                             | (1,142,463)      | (1,210,167)      |
| Actuarial (gain)/loss                     | (82,948)         | (26,428)         |
| <b>Closing defined benefit obligation</b> | <b>3,644,528</b> | <b>3,066,026</b> |

Changes in the fair value of plan asset are as follows:

|                                         | (Amount in Rs)   |                |
|-----------------------------------------|------------------|----------------|
|                                         | 2010             | 2009           |
| Opening fair value of plan asset        | 596,580          | 52,791         |
| Expected return                         | 100,839          | 25,089         |
| Actuarial gain/(loss)                   | 24,379           | (2,942)        |
| Contributions by employer               | 2,470,273        | 521,642        |
| Benefits Paid                           | (1,142,463)      | 0              |
| <b>Closing fair value of plan asset</b> | <b>2,049,608</b> | <b>596,580</b> |

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

|                                         |     |     |
|-----------------------------------------|-----|-----|
| Interest Rate                           | 8%  | 7%  |
| Discount Factor                         | 8%  | 7%  |
| Estimated Rate of return on Plan Assets | 8%  | 8%  |
| Attrition Rate                          | 35% | 35% |
| Rate of escalation in Salary per annum  | 5%  | 5%  |
| Retirement Age                          | 58  | 58  |

The Company expects to contribute Rs. 1,595,000/- to gratuity in 2010-11.  
The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

|                          | %    |      |
|--------------------------|------|------|
|                          | 2010 | 2009 |
| Investments with insurer | 100  | 100  |

Notes:

- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### 3. Segment information

#### a) Primary business segment

The Company is engaged in a single business segment of sale of garment, and hence, no additional disclosures are required, other than those already given in the financial statements.

#### b) Secondary business segment (by geographical area based on location of customers):

| Geographical Segment | Revenues                                   | (Amount in Rs)                              |
|----------------------|--------------------------------------------|---------------------------------------------|
|                      |                                            | Carrying amount of segment assets (Debtors) |
| In India             | 369,167,360<br>(359,714,230)               | 1,189,304<br>(25,960)                       |
| Outside India        |                                            |                                             |
| <b>Total</b>         | <b>369,167,360</b><br><b>(359,714,230)</b> | <b>1,189,304</b><br><b>(25,960)</b>         |

Note:

- All fixed assets are located in India.
- Figures in brackets relate to previous year.

### 4. Related party disclosures

#### A. Names of related parties and description of relationship:

| Ref   | Description of Relationship          | Names of related parties                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.    | <i>Parties where control exists:</i> |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (i)   | Immediate Holding Company            | Gokaldas Exports Limited                                                                                                                                                                                                                                                                                                                                                                                                                |
| (iii) | Wholly Owned Subsidiaries            | All Colour Garments Private Limited<br>Deejay Trading Private Limited<br>Madhin Trading Private Limited<br>Magenta Trading Private Limited<br>Rafter Trading Private Limited<br>Rajdin Apparels Private Limited<br>Reflexion Trading Private Limited<br>Rishikesh Apparels Private Limited<br>Robot Systems Private Limited<br>Seven Hills Clothing Private Limited<br>SNS Clothing Private Limited<br>Vignesh Apparels Private Limited |

|       |                                                                                                                                                                    |                             |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| b.    | <i>Key management personnel:</i>                                                                                                                                   |                             |
| (i)   | Director                                                                                                                                                           | Mr. Madanlal J Hinduja      |
| (ii)  | Director                                                                                                                                                           | Mr. Rajendra J Hinduja      |
| (iii) | Director                                                                                                                                                           | Mr. Dinesh J Hinduja        |
| c.    | <i>Enterprises over which key management personnel and their relatives exercise significant influence with whom transactions have taken place during the year:</i> |                             |
| (ii)  | Private Limited Companies                                                                                                                                          | Vag Exports Private Limited |

B. The following are the volume of transactions with related parties during the year and outstanding balances as at the year- end disclosed in aggregate by type of related party:

(Amount in Rs)

| Nature of transactions                           | Holding Company              | Fellow Subsidiaries | Others                     | Total                              |
|--------------------------------------------------|------------------------------|---------------------|----------------------------|------------------------------------|
|                                                  | A(a)                         | A(a)                | A(c)                       |                                    |
| <b>Income</b>                                    |                              |                     |                            |                                    |
| Job work charges                                 | 368,214,760<br>(358,301,670) |                     |                            | <b>(358,301,670)</b>               |
| Sale of Fabric                                   | 952,600<br>(Nil)             |                     |                            | <b>952,600<br/>(Nil)</b>           |
| <b>Expenses</b>                                  |                              |                     |                            |                                    |
| Rent expense                                     |                              |                     | 337,200<br>(2,573,040)     | <b>337,200<br/>(2,573,040)</b>     |
| <b>Balances outstanding as at March 31, 2010</b> |                              |                     |                            |                                    |
| -- Credit balances                               | 0<br>(12,554,816)            |                     |                            | <b>12,554,816<br/>(12,554,816)</b> |
| -- Debit balances                                | 1,163,344                    | (Nil)               | 20,000,000<br>(20,000,000) | <b>21,163,344<br/>(20,000,000)</b> |

Figures in brackets relate to previous year.

Disclosure for transactions that exceed 10% of total value of each class of transactions:

(Amount in Rs)

|                                      | 2010       | 2009       |
|--------------------------------------|------------|------------|
| <b>Rent Expense</b>                  |            |            |
| Vag Exports Private Limited          | 337,200    | 2,573,040  |
| <b>Sundry Debtors</b>                |            |            |
| Seven Hills Clothing Private Limited | -          | -          |
| <b>Rent Deposit</b>                  |            |            |
| Vag Exports Private Limited          | 20,000,000 | 20,000,000 |

##### 5. Leasing Arrangements:

The Company's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements are usually cancellable at the option of the lessee any time.

**6. Earnings per share**

(Amount in Rs)

| <b>Particulars</b>                                                              | <b>2010</b>  | <b>2009</b>  |
|---------------------------------------------------------------------------------|--------------|--------------|
| Net profit for the year as per profit and loss account before exceptional items | 1,664,127    | 496,324      |
| Net profit for the year as per profit and loss account after exceptional items  | 1,664,127    | 496,324      |
| Weighted average number of equity shares (Nos.)                                 | 20,000       | 20,000       |
| Nominal value per share                                                         | 10           | 10           |
| Earnings per share – Basic and diluted                                          | <b>83.21</b> | <b>24.82</b> |
| Before exceptional items                                                        |              |              |
| After exceptional items                                                         |              |              |

**7. Deferred taxes - Components**

(Amount in Rs)

| <b>Particulars</b>                                            | <b>As at<br/>March 31, 2009</b> | <b>Current year<br/>(charge)/credit</b> | <b>As at<br/>March 31, 2010</b> |
|---------------------------------------------------------------|---------------------------------|-----------------------------------------|---------------------------------|
| Difference between book and tax base of fixed assets          | 37,588                          | 126921                                  | 164,509                         |
| Retirement benefits allowed on payment basis accrued in books | 0                               |                                         |                                 |
| <b>Total</b>                                                  | <b>37,588</b>                   | <b>126921</b>                           | <b>164,509</b>                  |

**8. Remuneration to directors**

(Amount in Rs)

| <b>Particulars</b> | <b>2010</b> | <b>2009</b> |
|--------------------|-------------|-------------|
| Salaries           | Nil         | Nil         |

**9. Auditors' remuneration\***

(Amount in Rs)

| <b>Particulars</b> | <b>2010</b>   | <b>2009</b>   |
|--------------------|---------------|---------------|
| Audit fees         | 40,000        | 40,000        |
| Taxation matters   |               |               |
|                    | <b>40,000</b> | <b>40,000</b> |

\* Excluding service tax

10. a) **Licensed, installed capacities and production**

| Particulars                                                     | Unit | 2010             | 2009           |
|-----------------------------------------------------------------|------|------------------|----------------|
| <i>Licensed capacity</i>                                        |      |                  |                |
| Readymade garments                                              | Pcs  | Not Applicable   | Not Applicable |
| <i>Installed capacity</i>                                       |      |                  |                |
| Readymade garments                                              |      | Refer note below |                |
| <i>Production</i>                                               |      |                  |                |
| Readymade garments<br>- Own production<br>- Through Job workers | Pcs  |                  |                |

Note: Installed capacity cannot be quantified on account of a large variety of products that can be manufactured with varying specifications.

b) **CIF value of imports**

Current Year : Nil      Previous Period : Nil

c) **Expenditure in foreign currency on accrual basis**

Current Year : Nil      Previous Period : Nil

d) **Imported and indigenous raw materials, stores and spare parts consumed**

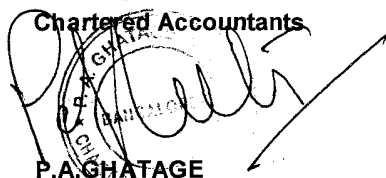
| Particulars                           | 2010           |   | 2009           |   |
|---------------------------------------|----------------|---|----------------|---|
|                                       | Amount (Rs)    | % | Amount (Rs)    | % |
| <i>Raw Materials</i>                  |                |   |                |   |
| Imported                              | Not Applicable |   | Not Applicable |   |
| Indigenous                            |                |   |                |   |
| <i>Consumables, Stores and Spares</i> |                |   |                |   |
| Imported                              | Not Applicable |   | Not Applicable |   |
| Indigenous                            |                |   |                |   |

**e) Earnings in foreign currency**

Current Year : Nil      Previous Period : Nil

11. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under the Micro, Small or Medium Enterprises Development Act 2006.
  
12. Previous year's figures have been regrouped/rearranged/reclassified, wherever necessary to conform to the current year's presentation.

**for P.A.GHATAGE & Co.**  
**Firm Regn. No.000922S**  
**Chartered Accountants**

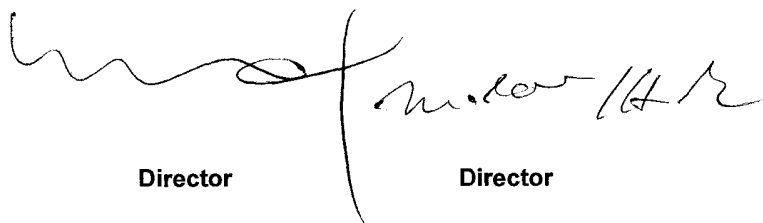


A handwritten signature in black ink, appearing to read 'P.A. Ghatage', is written over a circular stamp. The stamp contains the text 'P.A. GHATAGE' and 'BANGALORE'.

**P.A.GHATAGE**  
**(Proprietor)**

(Membership No.12153)  
Place : Bangalore  
Date : May 24, 2010

**For Glamourwear Apparels Private Limited**



A handwritten signature in black ink, appearing to read 'M. S. ...', is written in a cursive style.

**Director**

**Director**



4. Performance of the Company (Amount in Rs. Thousands)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |  |   |   |   |   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--|---|---|---|---|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---|---|---|---|---|---|---|---|
| Turnover (Total income)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total Expenditure                   |  |   |   |   |   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> </tr> </table> |                                     |  |   | 3 | 7 | 0 | 0 | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0                                   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">8</td> </tr> </table> |  |   |   | 3 | 6 | 7 | 0 | 5 | 8 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |  | 3 | 7 | 0 | 0 | 5 | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |  | 3 | 6 | 7 | 0 | 5 | 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
| + - Profit/(Loss) Before Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | + - Profit/(Loss)After Tax          |  |   |   |   |   |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> </tr> </table>                                                                              | <input checked="" type="checkbox"/> |  |   | 2 | 9 | 9 | 2 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">4</td> </tr> </table> | <input checked="" type="checkbox"/> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | 1 | 6 | 6 | 4 |   |   |   |   |
| <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                     |  | 2 | 9 | 9 | 2 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |
| <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                     |  | 1 | 6 | 6 | 4 |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |   |   |   |   |   |   |   |   |

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs)  
(on profit after taxes)

|  |  |   |   |   |   |   |
|--|--|---|---|---|---|---|
|  |  | 8 | 3 | . | 2 | 1 |
|--|--|---|---|---|---|---|

Dividend Rate %

|   |   |   |
|---|---|---|
| N | I | L |
|---|---|---|

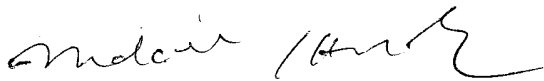
5. Generic Names of Three Principal Products / Services of Company  
(as per monetary terms)  
Item Code No. (ITC Code)

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

Product Description

|                |
|----------------|
| NOT APPLICABLE |
|                |
|                |
|                |

For and on behalf of the Board



Director



Director

Bangalore: May 24, 2010